

until the eleventh hour is that waiting could force the IRS to delay the tax filing season by 10 weeks or more for millions of Americans. In fact, we are at the eleventh hour. I should amend my comments to make that point very clear. This need for the IRS to delay the tax filing season is because the bill extends many provisions that expired at the end of 2011. They need to be extended for 2012 before people file their tax returns beginning in January of 2013. After Congress acts—if it acts—the IRS needs weeks to finalize tax forms and instruction books and to program computers to process the returns.

The IRS tells us that the alternative minimum tax, which is part of this tax extender package, would cause the biggest delay in the filing of new returns because of the number of tax credits and deductions that interact with the alternative minimum tax.

In 2010, when Congress waited until December to patch the alternative minimum tax, 10 million taxpayers had to delay their filings the next year. In 2007, after another eleventh-hour patch, 13 million taxpayers were delayed. Both the patches in 2007 and 2010 were enacted in December. So if we do not patch the AMT—alternative minimum tax—until January, the consequences will be even more severe.

At some point, IRS would have to choose between two options.

Its first option is to postpone the filing season for anyone who could be subject to the AMT and hope that Congress enacts a patch. Between 30 million and 60 million people would have to wait to learn how much tax they owe or whether they will get a refund.

The second option is for IRS to proceed with the filing season without the AMT patch. This option is even worse. It would mean 28 million more taxpayers would be subject to the AMT, and they would have to pay \$98 billion more in tax for 2012. These are middle-class Americans. Without the patch, the AMT will apply to individuals who earn more than \$33,750 in 2012 and couples who earn more than \$45,000. Without the patch, 46 percent of couples filing joint returns would owe alternative minimum tax, instead of six percent if we enact the patch.

This would be a disaster for the middle class. This is the risk we are taking if we delay passing tax extenders.

I urge my colleagues to take up and pass this important legislation, send it to the House so they can do the same, and send it to the President before this Congress finishes its work.

The PRESIDING OFFICER. The senior Senator from Iowa is recognized.

#### RUSSIA AND MOLDOVA PNTR

Mr. GRASSLEY. Mr. President, in this day and age, there is simply no denying that our economy is very much a part of a global economy and affected by it. Gone are the days when businesses relied solely on growing their

customer base for domestic markets. Today, 95 percent of the world's consumers live outside the United States, and we are producing for those consumers as well as domestic ones.

One action that would help our economy improve at a faster rate would be to increase trade opportunities overseas for American businesses and farmers. Increased trade helps create jobs, increase incomes, and expand opportunities for innovation.

As we have seen over the course of history and also repeating what President John F. Kennedy often spoke about, free and fair trade helps all boats rise;

That is to say, countries willing to lower their trade barriers and allow fair and competitive trade will see growth in their economies.

However, history also shows even among nations with good relations, trade disputes still arise. That is why we need a forum to settle international disputes such as the World Trade Organization does. The WTO allows American businesses a place to take complaints against unfair trade barriers and have a judicial result.

For 19 years Russia has worked toward entry into the World Trade Organization. Now they are in the World Trade Organization. I support Russia being in the World Trade Organization. As the world's eleventh largest economy with over 140 million citizens, it is obviously an important market for U.S. businesses and farmers looking to expand their overseas markets.

Some of Iowa's heavy equipment manufacturers are already exporting millions of dollars of equipment to Russia.

Agricultural equipment manufactured in facilities all around Iowa is being used by Russian farmers as they look to increase their agricultural efficiency and productivity.

The World Trade Organization accession process afforded us an opportunity to address Russian tariffs against our products. In the accession agreement, Russia has agreed to lower its tariffs for these construction and agricultural equipment products. That obviously means increased exports and an increase in good American jobs.

By far the largest percentage of Iowa exports to Russia consists of grains, meats, and other agricultural products being produced by Iowa's farmers. Russia's accession into the WTO has been an important issue for our pork producers, for our cattlemen, and for our grain farmers. Iowa's farmers are some of the best in the world. They are truly helping to feed the world. Expanding opportunities in overseas markets is vital to the future of American agriculture. Russia has been and I think will continue to be an important market for our farmers. But it does not come without its challenges.

Russia has repeatedly raised barriers to the U.S. imports based upon restrictions not supported by sound science. So now I am going to tell you about

some problems I have with Russia, even though I want Russia to be in the WTO and I want this legislation to pass so it can be fully implemented.

I will share some things we have problems with regarding Russia. Let us take pork exports as an example. In 2008, U.S. pork sales to Russia totaled over 200,000 metric tons. Since that time exports have fallen nearly 60 percent due to Russia's reduced import quota and questionable sanitary and phytosanitary restrictions. I am pleased our trade negotiators were able to negotiate a satisfactory tariff rate quota for our pork. But this administration under President Obama has fallen short in its obligations to stand with U.S. farmers on these sanitary and phytosanitary standards; in other words, standing up for using sound science instead of some illegitimate reason for keeping our products out of Russia.

I have communicated time and again what I expected of this administration because they have to negotiate for us. In June 2011, I led a bipartisan letter with Senator NELSON of Nebraska and 26 other Senators to Ambassador Kirk requesting his negotiators follow the steps we have taken during consideration of past WTO accessions. I referred to China and Vietnam as examples for this administration to follow. When these countries joined the WTO, we used these opportunities to obtain firm sanitary-phytosanitary commitments from those countries that went beyond the WTO sanitary-phytosanitary agreement. In particular, we obtained further commitments in areas of meat inspection equivalence.

In addition, in June of this year, I sent another bipartisan letter with Senator NELSON of Nebraska and 32 other Senate colleagues to President Obama again laying out our request that he stand for American farmers and demand more of the Russian Government on sanitary-phytosanitary issues which would very much benefit our agriculture products going into Russia.

As we know, this administration did not use the accession process to fully address these crucial issues so they have to be addressed outside of this process where we do not quite have the leverage we would otherwise have. That is why I requested language that is in this legislation to require our trade negotiators to keep working with these unfair trade barriers and report to Congress on their progress. Our farmers are some of the very best in the world. We cannot allow their products to be discriminated against based upon arbitrary nonscientific and unjustifiable reasons.

In addition to the concerns I repeatedly raised on sanitary-phytosanitary issues, there are other issues at stake with Russia. It is a shame that we are handling this bill in a lameduck session when time is so limited. This bill should have been debated at a time

when the Senate could more fully evaluate the current course of our relationship with Russia.

Russia continues to cause challenges in regard to Syria, Iran, and other regions of the world where the United States and our allies are trying to do what is right in the name of human dignity and also in the name of national security. I am concerned with Russia's own human rights issues. That is why I am very glad the Magnitsky provisions are in this bill.

As ranking member of the Senate Judiciary Committee, I remain troubled by the lack of progress Russia has made on protecting intellectual property rights. Furthermore, Russian officials need to step up their efforts in combating cyber crimes. There continues to be a large number of cyber attacks that originate from within Russia's borders.

All that being said, I realize having Russia in the WTO is a very positive step. One of the goals of international trade is to build upon relationships between nations. Having Russia in the WTO fold will hopefully benefit our nations as we work together on so many issues that concern us, plus, as I have stated before, having the WTO forum available to help our businesses and farmers when disputes arise is important.

I have said I want Russia in the WTO. I have said there are good opportunities for us there. I just spoke as to why I think there are problems with Russia that need to be worked out. President Putin is not going to pay any attention to what I say, but I want him to know these are issues of the re-Sovietization of the country and I do not like it. I favor this bill; I favor working with Russia. But they are becoming more of a problem. I look forward to hearing from our trade negotiators in the not too distant future on their progress in getting Russia to remove the unjustifiable barriers to our agricultural products.

Furthermore, as President Obama looks toward other trade initiatives in the future, I hope this accession process will be a lesson. This process could have been better, in other words, using the leverage the United States has during these accession negotiations to get a lot of these disputes settled as we did with China and Vietnam that we have not fully done with Russia.

The President has called on Congress to pass this legislation for some time. But his lack of consultation with Congress and disregard for the concerns raised by this Senator and other Members has only served to delay this whole process. We cannot keep approaching trade issues in this fashion. This administration needs to have real and substantive consultation with Congress.

Furthermore, when there are opportunities to stand for American businesses and farmers against unfair trade barriers such as the sanitary and phytosanitary issues in Russia, the

President needs to seize that opportunity the same way it was seized in the case of Vietnam and in the case of China's accession.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWN of Ohio). The Senator from Florida is recognized.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### THE FISCAL CLIFF

Mr. NELSON of Florida. I want to speak to the issue that is beginning to considerably irritate the American people, and that is they cannot believe that in Washington the two parties cannot get together to come to an agreement on avoiding the fiscal cliff. It is as if some are in denial that there was an election and the President won reelection, and that a whole bunch of us won reelection to the Senate and to the House. It is as if the ideological rigidity is still as rigid and doctrinaire and that the lessons people were telling us about bipartisanship, that they demand bipartisanship—it is as if the parties and their leaders did not understand that is what the American people were demanding.

And here as the drumbeat grows louder, we approach December 31 and falling off the fiscal cliff. There is an easy fix, whatever your ideology and your approach. It can be hammered out next year when we are doing major things such as a rewrite of the IRS Tax Code, and all that that can portend in producing revenue, by making the Code more streamlined and in the process get rid of a lot of the underbrush and loopholes, and utilize that revenue to lower rates. But that is for another day after long deliberation on reforming an issue that has gotten so complicated it is out of control, and that is the Tax Code. You cannot do that in the next few days. That is what needs to be done in the committee process of the Congress.

What easily can be done is recognize that the President won, produce revenue with the upper 2 percent paying a little more, and eliminate the sequestration, which is \$1 trillion of cuts over the next 10 years that were never intended to go into effect after the original \$1 trillion which a year-and-a-half ago went into effect. This sequestration was intended to be the meat cleaver hanging over the heads of the supercommittee to get them to come to a bipartisan agreement.

Of course, a year-and-a-quarter ago, they deadlocked six to six and thus that is why we are facing this sequestration—\$½ trillion of cuts in defense, \$½ trillion of cuts in nondefense discretionary spending. Most everybody thinks they should not go into effect. So let us, for right now, before December 31, help eliminate the sequestration. Let's reintroduce all of the tax

cuts for 98 percent of the American people, and then let's prepare, in a deliberative way, to reform the Tax Code and go about the process of streamlining and cutting spending as the new Congress unfolds. That is what I wanted to share.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Mr. President, I want to address the same subject and I certainly share the views of the Senator from Florida that we have got to solve this so-called sequester problem because, as the Secretary of Defense has said, it would be disastrous for the Defense Department to take another \$½ trillion hit to its budget after already committing to do so.

We have required under our Budget Act that the Defense Department reduce spending by about \$487 billion over the next 10 years. To add another ½ trillion to that would, in fact, as Secretary Panetta said, be disastrous. So I appreciate the comments of my colleague.

Let me speak to the President's proposal specifically that was made at the beginning of the so-called negotiations here. His offer would increase taxes by more than \$1.6 trillion on individuals, on investment income, small businesses, under the estate tax, farms and estates, and American energy producers.

As President Reagan said many years ago, if you tax something, you get less of it. When you have to pay more taxes to engage in certain activities, you tend not to engage in those activities.

What is happening now in the market is a perfect example. A lot of people are of the view that capital gains taxes are going to go up, so they are selling their shares of stock or property now in order to pay the tax on the gain at the lower rate this year rather than the higher rate next year.

Tax rates should not be a factor in business decisions that are made. At least, raising taxes, as we will see in a moment, is a very big wet blanket on economic activity and economic growth. When we are in a situation where economic growth is clearly less than 2 percent, it is not the time to raise taxes. As the President himself said almost exactly 2 years ago, when we decided to extend the tax policy that is currently in effect and had been for many years before that, to allow tax rates to go up would be—and this is his quotation—"a blow to the economy."

So if it was true then, it is even more true today because the GDP growth is less today than it was 2 years ago when he made that correct comment. But the result of his proposal here to raise taxes by \$1.6 trillion would, in fact, reduce the economic growth, would result in fewer jobs, would result in less investment and, therefore, slower growth in many major sectors of the economy.